

O 231505Z MAR 04
FM AMCONSUL JERUSALEM
TO SECSTATE WASHDC IMMEDIATE 8045
INFO ARAB ISRAELI COLLECTIVE PRIORITY
DEPT OF TREASURY WASHDC PRIORITY
NSC WASHDC PRIORITY

CONFIDENTIAL JERUSALEM 000926

NEA FOR BURNS/SATTERFIELD AND NEA/IPA
NSC FOR ABRAMS/DANIN/KIFAYAT
TREASURY FOR OASIA/MILLS

E.O. 12958: DECL: 03/23/2014
TAGS: PTER EFIN KPAL KWBG PREL IS
SUBJECT: ARAFAT BLOCKS COURT ORDER UNFREEZING HAMAS ACCOUNTS

REF: JERUSALEM 915

CLASSIFIED BY: CONSUL GENERAL DAVID D. PEARCE, REASONS 1.5 (B) AND (D).

¶1. (C) ON THE EXPLICIT INSTRUCTIONS OF YASIR ARAFAT, PALESTINIAN MONETARY AUTHORITY (PMA) GOVERNOR AMIN HADDAD CALLED ECON/C MARCH 23 TO REPORT THAT ARAFAT HAD INSTRUCTED THE PMA AND THE PA SECURITY SERVICES TO BLOCK IMPLEMENTATION OF THE MARCH 21 HIGHER JUDICIAL COUNCIL ORDER UNFREEZING 39 BANK ACCOUNTS ASSOCIATED WITH HAMAS-AFFILIATED ISLAMIC CHARITIES (REFTEL). ARAFAT HAD ORDERED HADDAD AND THE SECURITY CHIEFS TO INSTRUCT THE BANKS TO KEEP THE ACCOUNTS FROZEN BY "PRESIDENTIAL DECREE."

¶2. (C) HADDAD SAID HE HAD MET MARCH 23 WITH INTERIOR MINISTER HAKAM BAL'AWI, NSF WEST BANK CHIEF HAJ ISMA'IL JABIR, PA POLICE CHIEF GHAZI JABALI, ATTORNEY GENERAL HUSSAIN ABU AL-ASI, AND HIGHER JUDICIAL COUNCIL HEAD ZUHAIR SURANI, TO DISCUSS NEXT STEPS. ALL AGREED TO IMPLEMENT ARAFAT'S DECREE. THEY ALSO DECIDED TO ESTABLISH A MECHANISM FOR DISBURSING THE FUNDS REMAINING IN THE ACCOUNTS TO NEEDY BENEFICIARIES DIRECTLY THROUGH THE MINISTRY OF SOCIAL AFFAIRS; ALL APPLICANTS WOULD BE SCREENED BY PA SECURITY TO ENSURE NO LINKS TO TERRORIST ORGANIZATIONS, AND NO FUNDS WOULD BE RELEASED WITHOUT ARAFAT'S EXPLICIT CONSENT, HADDAD REPORTED. (NOTE: IN A MINISTRY OF INTERIOR REPORT SHARED BY BAL'AWI'S STAFF ON HIS INSTRUCTION WITH THE CONSULATE, THE ACTION IS PORTRAYED AS A BAL'AWI DECISION AND ACTION ITEM. END NOTE)

¶3. (C) COMMENT: ARAFAT'S EXPLICIT INSTRUCTIONS TO HADDAD TO INFORM THE USG OF THIS DECISION INDICATE THAT ARAFAT HOPES TO GARNER SOME POLITICAL BENEFIT (OR AT LEAST CREDIT) FOR THE MOVE. WHILE IT IS INHERENTLY GOOD THAT MILLIONS OF DOLLARS ARE NOT GOING TO BE RETURNED TO CHARITIES AFFILIATED WITH HAMAS, HADDAD HIMSELF SAID THAT ARAFAT'S DECREE BLOCKING THE HJC ORDER HAD NO BASIS IN PALESTINIAN LAW. END COMMENT.

PEARCE